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# COST OF CARE AND SUBSIDY RATE MODEL

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Washington State Department of  
**CHILDREN, YOUTH & FAMILIES**





# Today

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- Purpose
- Timeline
- Cost of care model
- Engagement recommendation
- Discussion/Feedback



# Purpose – why are we here today?

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## Background

- Child Care Subsidy rates do not cover providers' full costs to provide high quality care, limiting family access
- Legislature directed DCYF to recommend a model basing rates on the cost of care
- Child Care Collaborative Task Force released a cost of care study and recommendations

## Today

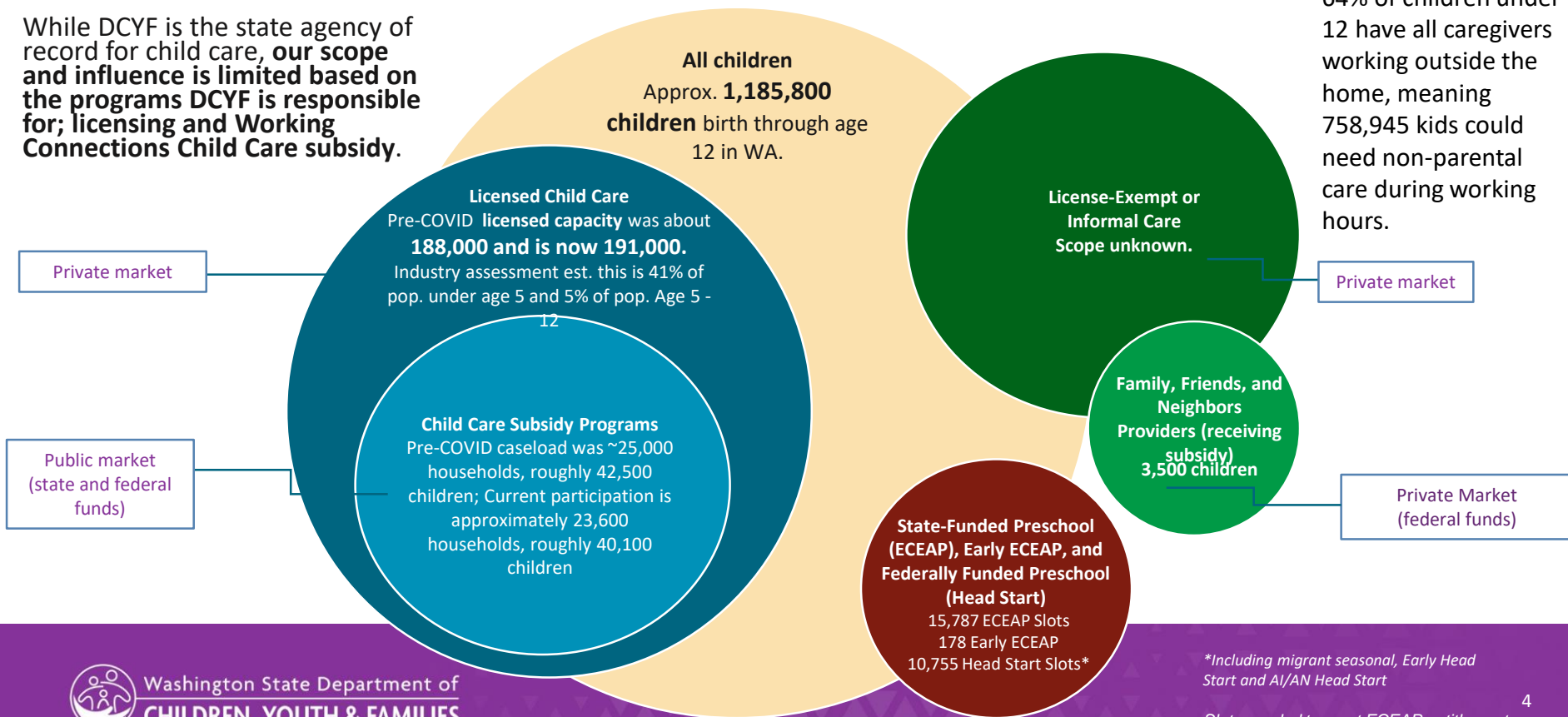
- Discuss DCYF's recommendation for engagement to further develop this model



# Universe of Early Care and Education in WA and DCYF's Role

While DCYF is the state agency of record for child care, **our scope and influence is limited based on the programs DCYF is responsible for; licensing and Working Connections Child Care subsidy.**

Its estimated that 64% of children under 12 have all caregivers working outside the home, meaning 758,945 kids could need non-parental care during working hours.

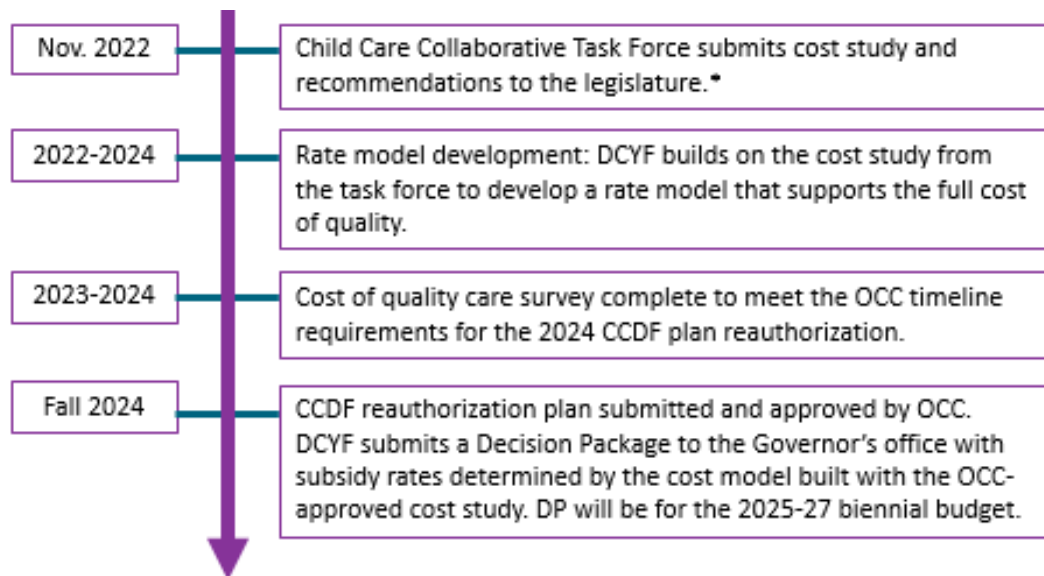


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*\*Including migrant seasonal, Early Head Start and AI/AN Head Start*

*Slots needed to meet ECEAP entitlement in 2026-27: 28,760*

# Timeline Fall 2022 through Fall 2024



*\*ACF requirements state that a cost study must be completed within one year of a CCDF reauthorization plan submittal in order to be valid for use. Therefore, the study completed in 2022 will not qualify for the 2024 plan.*





## Two Primary Elements of the Cost of Care Rate Model

- Identify and recommend the options within the cost model that will influence the rate
- Identify and recommend rate regions



# Examples

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## Cost variables include:

- Staff salaries including owner/operators
- Benefits such as vacation and sick days, retirement, insurance, and flexible spending
- Curriculum costs
- Parent engagement (e.g. parent conferences)

## Provider regional options include:

- Geographical region (current structure)
- Cost of living
- Area Median Income
- Urban, Suburban, Rural



# Authorizing Environment

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- FSKA - Section 301 (3)(a) The department shall build upon the work of the child care collaborative task force to develop and implement a child care cost estimate model and use the completed child care cost model to **recommend** subsidy rates at levels that are sufficient to compensate licensed or certified child care providers for the full costs of providing high quality child care
  - DCYF recommends a subsidy rate model and rates, but the final decision will be made by the Legislature
- This requirement does not interfere or diminish the right of family child care providers to bargain collectively under RCW 41.56.028
- Alternative methodology must be approved by Office of Child Care (OCC) prior to implementation





# Co-design Goals


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- Engagement: DCYF will involve and collaborate with partners and Tribes to develop the rate model and recommendations
- Nimbleness: The work is intensive and impactful and the timeline is aggressive



# IAP2 Spectrum of Public Participation

IAP2's Spectrum of Public Participation was designed to assist with the selection of the level of participation that defines the public's role in any public participation process. The Spectrum is used internationally, and it is found in public participation plans around the world.

INCREASING IMPACT ON THE DECISION 					
	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

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# Rate Development Recommendation

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- DCYF works with the existing Early Educator Co-Design Group in two phases:
  - Phase 1 – Develop rate variable recommendations
  - Phase 2 – Develop provider region/grouping recommendations
- Each phase would include discussion and feedback sessions with ELAC, Provider Supports, Indian Policy Early Learning, and Service Employees International Union 925



## Possible Timeline

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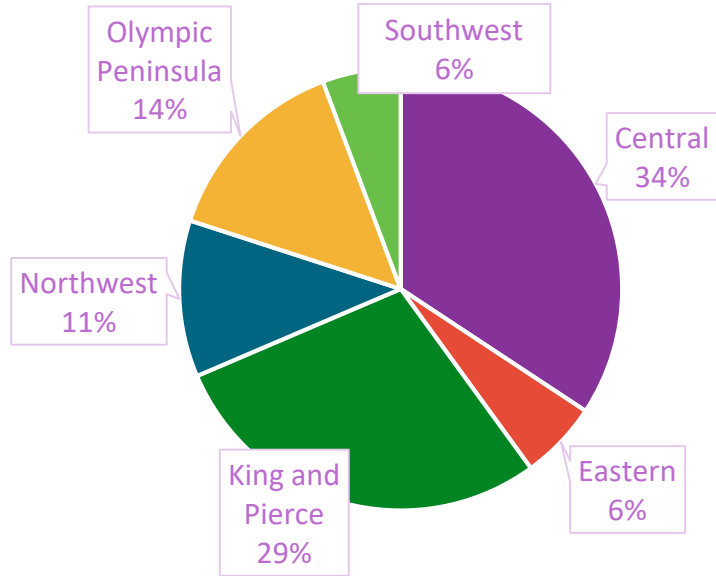


- Phase 1 – variable discussion/selection spring 2023
- Phase 2 – provider grouping/discussion selection summer 2023
- Request Federal approval late 2023
- Cost of Care Survey in 2024 to update costs and meet CCDF Plan Requirements
- Submission of decision package late 2024 for 2025 Legislative Session

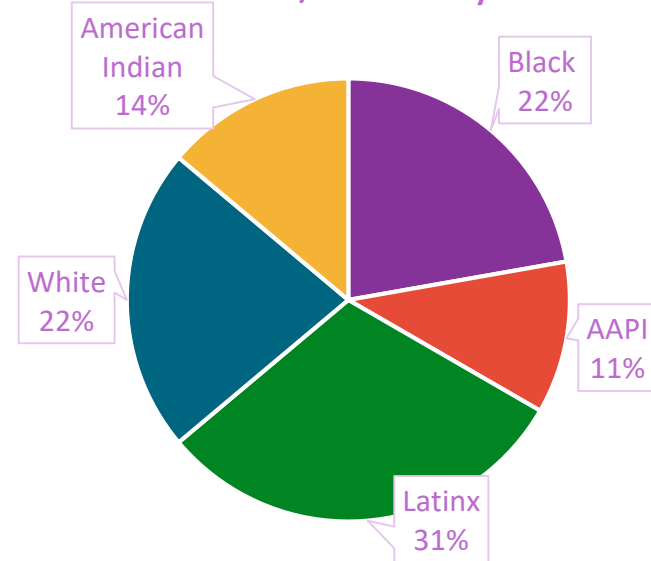


# Early Educator Co-Design Work Group Participants

## Geographical Region



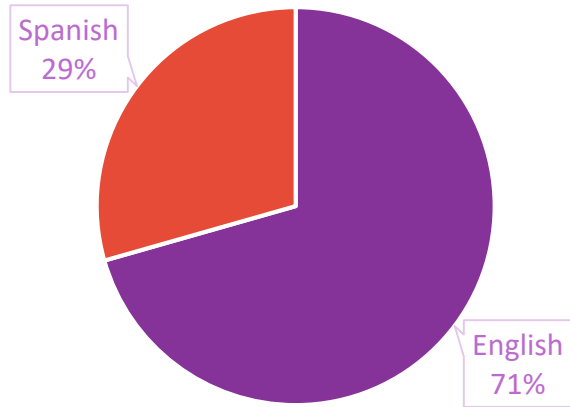
## Race/Ethnicity



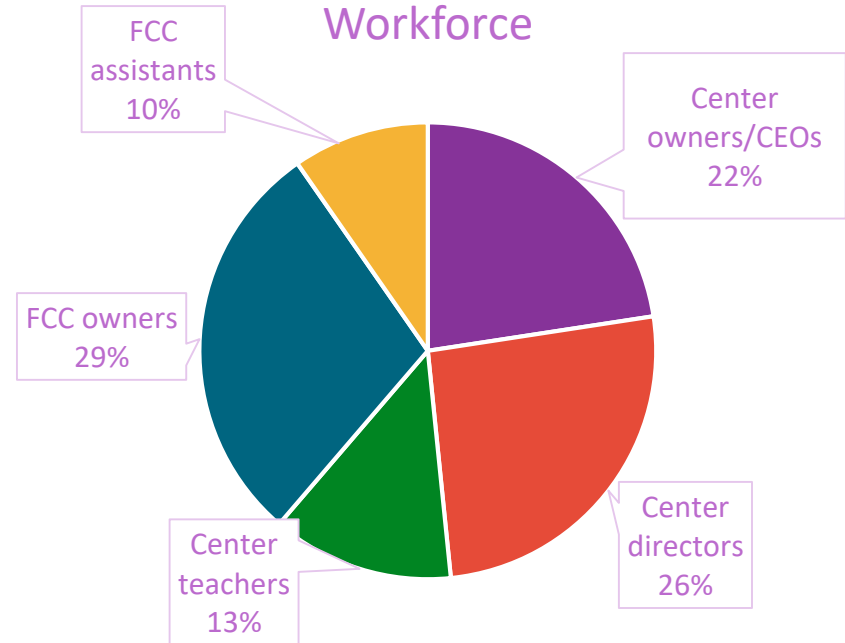


# Early Educator Co-Design Work Group Participants

## Primary Language



## Workforce





# Early Educator Co-Design Work Group Participants

Program Characteristics	
Directly cares for infants & toddlers	18
Accepts subsidy	26
Offers tribal child care	1
Non-standard hours	9
Run by private primary school	4
Located in a public school	2
For-profit	17
Non-profit	8
Offers dual language learning opportunities	16
Serves families experiencing homelessness	22



# DISCUSSION

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- What are your thoughts on the recommendation?
  - Recommendation:
    - DCYF works with the existing Early Educator Co-Design Group in two phases:
      - Phase 1 – Develop rate variable recommendations
      - Phase 2 – Develop provider region/grouping recommendations
    - Each phase would include discussion and feedback sessions with ELAC, Provider Supports, Indian Policy Early Learning, and Service Employees International Union 925
  - Any other Questions?

